Postponement of Vat System

2857. SHRI R. KAMARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that various Federations and Chambers throughout the country observed a bandh against the implementation of Value Added Tax on 30th March, 2005;

(b) if so, whether Government are considering to postpone the implementation of VAT;

(c) whether it is also a fact that many traders' organizations alleged the implementation of VAT was against the trading community; and

(d) if so, the steps taken by Government to redress their grievances in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) to (d) VAT presently being implemented by States is a State subject. Hence, any decision in this regard is to be taken by the States.

Recommendation of Expert Committee for Small investors

2858. SHRIMATI SUKHBUNS KAUR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have accepted the recommendation of the Expert Committee headed by SEBI Chairman G.N. Bajpai to link the rate of interest for small investors to inflation;

(b) if so, the decision taken by Government thereon; and

(c) how small savings during the year 2005-06 are likely to be affected thereby?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Government has not taken any decision on the recommendation of the Expert Committee headed by the then Chairman, SEBI.

(c) In view of (a) and (b) above, does not arise.

Penalty on banks disbursing less loans

†2859. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under consideration of Government to impose penalty on the banks disbursing loans below the prescribed targets;

(b) if so, the details thereof; and

(c) by when a final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) and (c) Do not arise.

Strike against merger of banks

†2860. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Public Sector Banks were on country-wide strike to protest against merger of banks and foreign investment;

(b) if so, the details thereof; and

(c) what is the Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes. Sir. The Employees 'Union and Officers' Associations of Public Sector Banks (PSBs) were on strike on 22nd March 2005 in protest against merger and acquisition of PSBs and foreign Banks/Institutions/Investors taking over Indian banks.

(d) While the Government recognizes the right of the Officers' and Employees' Associations of PSBs to protest against any proposal of their managements within the constitutional framework, any proposal for consolidation by way of merger etc. of one nationalized bank with another nationalized bank has to come from their managements with Government

†Original notice of the question was received in Hindi.